Bilateral trade agreement between India and ASEAN

935. SHRI MAHENDRA MOHAN : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether India and ASEAN have finalized bilateral trade agreement;

(b) if so, the details thereof;

(c) the quantum of trade between India and ASEAN;

(d) the quantum of trade likely to increase after the finalisation of latest agreement;

(e) the commodities being traded between India and ASEAN; and

(f) the situation of trade balance?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) No, Sir.

(b) Does not arise.

(c) The value of India's export to ASEAN during 2007-08 was Rs. 65,93,187.59 lacs. The value of India's import from ASEAN during 2007-08 was Rs. 91,24,477.42 lacs.

(d) Does not arise.

(e) The main items of India's export to ASEAN are petroleum (crude and products), Oil meals, transport equipments, non-ferrous metals, machinery and instruments, gems and jewellery and primary and semi-finished iron and steel and the main items of India's import from ASEAN are petroleum crude and products, electronic goods, vegetable oils, machinery, coal coke and briquettes, organic chemicals and transport equipments.

(f) The trade balance during 2007-08 was in favour of ASEAN.

Ban on import of Chinese Dairy Products

936. SHRI C. RAMACHANDRAIAH : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether Government has imposed a ban on the import of Chinese dairy products after these items were found contaminated in China;

(b) whether steps are being taken to effectively implement the above ban;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Directorate General of Foreign Trade (DGFT) has prohibited import of milk and milk products from China upto 23rd June, 2009. Import of chocolates, chocolate products and candies/confectionery/food preparations with milk or milk solids as an ingredient from China has also been prohibited for six months *vide* Notification No. 67 dated 1st December, 2008.

(b) to (d) The Food Safety and Standards Authority of India has issued an Advisory to the concerned Ministries/Departments for imposing immediate restrictions on import of all dairy products from China and entry of these products to be allowed only on batch-wise samples being certified to be free from melamine contamination. This was to be effective for period of three months.

The Food Safety and Standards Authority of India has also issued Advisory to the State Health Authorities to monitor melamine contamination in foods and to take special care and action to ensure the food products containing melamine are not present in the market.

In the country the milk products are being regulated under Milk and Milk Products Order, 1992 (MMPO-92) by the Department of Animal Husbandry, Dairy and Fisheries. The Food Safety and Standards Authority of India has asked the MMPO Authorities to carry out sample testing of the Dairy plants licensed under MMPO for melamine contamination.

Effect of iron-ore export on domestic steel industry

937. SHRI DHARAM PAL SABHARWAL : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that the export of iron-ore has increased from 20 MT to 140 MT during the last three decades;

(b) whether jump in the increase of export of iron-ore has resulted in the increase of import of steel into India;

(c) if so, the details thereof; and

(d) the steps Government propose to take for allocation of mineral resources to indigenous steel manufacturers to curb large scale import of steel?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Iron Ore export which was 24.4 MT in the year 1980-81 has grown to 104.27 MT in the year 2007-08.

(b) and (c) There is no direct co-relation between export of iron ore and import of steel. Iron ore exports are carried out only after meeting the domestic requirement. Even after exports and meeting domestic requirements, still surpluses are left. The import of finished steel in 2007-08 was approximately 7 million tonnes while it is 3.3 million tonnes in the first seven months of the current financial year.

(d) The domestic steel industry basically uses high grade ore. To ensure that this ore is available, Government has canalised export of iron ore with Fe content of above 64%. Presently, as the domestic price of high grade ore is the main issue as far as steel manufacturers are concerned, Ministry of Steel has taken up the matter with Ministry of Mines to impress upon the need for iron ore producers to enter into Long Term Agreements with domestic iron and steel producers for assured supply of iron ore with a suitable price mechanism.